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November 4, 2019

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd  
Chief Clerk / Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, SC 29210

Re: Request for Approval of Water and Sewer Agreements of Blue Granite Water Company - Docket No. 2019-332-WS

Dear Ms. Boyd:

On October 16, 2019 in the above-referenced docket, Blue Granite Water Company (the "Company"), filed a request that the Commission approve the developer agreements between the Company and Mungo Homes Properties, LLC as related to phases 1 through 4 of the Jessamine Place development.

The Company provided responses to discovery propounded by the South Carolina Office of Regulatory Staff ("ORS") related to the agreements filed in the above-referenced proceeding. In the course of providing responses, the Company discovered that the agreement for Phase 4 of the Jessamine Place development—which was Attachment B to the Company's initial filing—reflected an incorrect contract amount and number of irrigation meters. The contract amount was corrected from \$43,677.94 to \$42,422.69, and the number of irrigation meters was corrected from two to one. The Company and the Developer entered into a revised agreement for Phase 4, which is attached hereto. The Company also takes this opportunity to clarify that the agreements filed in this proceeding relate to the provision of water service and do not include wastewater facilities.

The amended agreement for Phase 4 was provided to ORS for review prior to this filing.

Kind regards,

Sam Wellborn

SJW:tch

Enclosure

cc w/enc: Joseph Melchers, General Counsel (via email)  
Jeffrey M. Nelson, Chief Legal Officer (via email)  
Donald Denton, President (via email)  
Dante Destefano, Financial Planning & Analysis Manager (via email)  
Travis Dupree, Vice President, Project Management & Engineering (via email)

**AGREEMENT FOR WATER SERVICE**  
**JESSAMINE PLACE - Phase 4**  
**LEXINGTON, SC**

This Agreement is entered into this 22<sup>nd</sup> day of October, 2019 by and between Mungo Homes Properties, LLC, existing under the laws of the State of South Carolina and authorized to do business in South Carolina (hereinafter referred to as "Developer"), and Blue Granite Water Company, a Delaware corporation authorized to do business in South Carolina (hereinafter referred to as "Utility").

**WITNESSETH**

WHEREAS, Developer is the owner of a certain real estate parcel containing approximately 63.91 acres (Tax Parcels No 004596-04-034), located at Jessamine Road, Lexington, South Carolina, 29073 hereinafter referred to as the "Property" (see "Exhibit 1"); and,

WHEREAS, Developer desires to develop is approximately 4.46 acres of the Property into a residential development currently projected to ultimately consist of thirty-two (32) multi-family family homes, to be called "Jessamine Place, Phase 4," (see "Exhibit 2") having an estimated daily water usage of 9,600 gpd when completed, based on the South Carolina Department of Health and Environmental Control's guideline of 300 gpd per home; and,

WHEREAS, Utility is a public utility engaged in the business of furnishing water and sewer service to the public in its designated I-20 Service Territory located in Lexington County and the Property is located within the service territory. The Utility desires to have constructed and installed, and the Developer desires to construct and install at no cost to Utility, the water distribution facilities to serve the Property subject to the terms and conditions of this Agreement; and,

WHEREAS, Developer desires Utility to provide water utility service within the Property and Utility desires to provide water utility service according to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants as hereinafter set forth and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### **ARTICLE I**

#### **Representations and Warranties of Developer**

Developer represents and warrants that:

1. Developer is the owner of or is duly authorized to act on behalf of the owner(s) of the Property; and,
2. Developer shall be responsible for obtaining and will obtain all necessary governmental approvals, permits and authorizations in connection with the construction and installation of the Facilities contemplated by this Agreement; and,
3. Developer shall cooperate with Utility in any and all applications or petitions to governmental or public authorities that Utility deems necessary, in its sole discretion, in relation to Utility's provision of water utility service and its acceptance of dedication of all necessary facilities constructed and installed by Developer; and,
4. Developer shall convey to Utility, or otherwise vest in Utility (at no cost to Utility), such right, title and interest in and to such real estate as may be reasonably necessary to permit Utility to carry out the terms and conditions of this Agreement; and,
5. Developer shall convey to Utility or provide by recorded subdivision plats (at no cost to Utility) such easements or rights of way as Utility may reasonably require for the Utility's performance of its obligations under this Agreement. Any such plats,

conveyances or licenses will be in form reasonably satisfactory to Utility's legal counsel and applicable regulatory bodies.

## ARTICLE II

### Obligations and Construction of Facilities by Developer

#### 1. Facilities

Developer shall construct and install any additional necessary water distribution facilities to serve the Property at no cost to Utility, including but not limited to mains, valves, fire hydrants, service laterals, meter boxes, meters, backflow devices, and other facilities as are reasonably required to provide adequate water, including fire protection flows, and service. Developer shall install water meters as specified by Utility. Water distribution mains shall have a minimum diameter of six (6) inches, except where otherwise approved by Utility. Developer shall connect existing water mains installed in Phase 4 at points to be approved by Utility. Developer shall provide Neptune Mach 10(Advanced Metering Infrastructure (AMI) water meters with six feet antennas, mobile data collector, gateway, outdoor ups system, gateway RF antenna, necessary appurtenances, and 1 year of software service. Developer shall coordinate with Neptune to perform a propagation study to determine suitable location(s) with approval by Utility for installation and maintenance of appropriate height wood pole(s) to allow for mounting of RF antennas. All AMI water meters shall be capable of transmitting a signal to minimum of two (2) RF antenna locations per the propagation study. All materials used by Developer for said Facilities shall be new, first-class, and suitable for the uses intended therefor. Developer shall obtain industry standard warranties from all contractors working on construction or installation of the Facilities and assign or otherwise transfer such warranties in writing to Utility. In addition, Developer warrants that all construction, materials, and workmanship of the Facilities shall be free of defects for one year after the Facilities (or

such portion of the Facilities) are placed into service and dedicated and accepted in writing by Utility, and that and the Facilities (or any portion thereof) shall operate as intended, without trouble, for a period of one year after the Facilities are placed into service and dedicated and accepted in writing by Utility.

2. All Facilities constructed and installed by Developer pursuant to this Article II shall be constructed and installed without cost or expense to Utility. Developer shall be responsible for all local, state and federal taxes and permitting fees arising as a result of (i) dedication of the Facilities to Utility, (ii) acceptance of the Facilities by Utility, and (iii) the new use of the Facilities by Utility to provide water services under this Agreement.
3. All plans, specifications and construction of the Facilities shall be in accordance with applicable standards, requirements, rules and regulations of all governmental bodies and regulatory agencies that may have jurisdiction thereover and must receive the written approval of Utility before construction is begun, which approval shall not be unreasonably withheld or delayed.
4. Developer shall defend, indemnify and hold Utility harmless from and against all suits or claims that may be based upon any injury to any person or property that may occur in the course of the performance of the construction or commissioning of the Facilities by Developer or by anyone acting on Developer's behalf, or under Developer's supervision and control, including but not limited to claims made by employees, agents or assigns of Developer, and Developer shall, at its own cost and expense, pay all costs and other expenses arising therefrom, or incurred in connection therewith, including reasonable attorneys' fees. Further, for a period of five (5) years after Utility's acceptance of the Facilities Developer shall defend, indemnify and hold Utility harmless from and against all suits or claims, including reasonable attorneys' fees incurred by Utility to defend such

suits or claims, based upon the negligent design, construction, commissioning or dedication of the Facilities by Developer.

5. Developer shall maintain general liability insurance for at least \$5 million that covers liability arising from the construction, dedication and any failure of the Facilities.
6. Developer shall obtain, with cooperation from Utility, all requisite permits and zoning and other approvals and all else required to construct the Facilities, without cost or expense to Utility.
7. Upon written acceptance of the Facilities by Utility and interconnection with Utility's existing water and sewer system, all of the Facilities installed by Developer pursuant to this Agreement shall become the property of Utility as installed up to and including the water meters, meter boxes, and sewer lateral up to and including the cleanouts at the property line or easement as shown on the plans without cost or expense to Utility, with the exception of the service lines from the water meter outlet to each single family residence, for which the owner shall retain ownership and maintenance responsibility and the sewer laterals from the tap cleanout to each single family residence, for which the owner shall retain ownership and maintenance responsibility. Developer shall execute all conveyances, licenses and other documents reasonably requested by Utility as necessary or desirable in Utility's opinion to ensure its ownership of, ready access to, and operation and maintenance of the Facilities. Developer shall furnish Utility with lien waivers in a form reasonably satisfactory to Utility's legal counsel from Developer and from all suppliers, subcontractors and all others who furnish labor, equipment, materials, rentals, or who perform any services in connection with the Facilities constructed herein. Developer agrees to provide to Utility documentary evidence, in a form satisfactory to Utility, sufficient to establish the original cost of the Facilities. Utility shall have, at all times following Utility's written acceptance of the Facilities, all right, title and interest in and to the Facilities. Developer agrees to defend, indemnify and hold

Utility harmless for any claims arising from any vendor, contract, subcontractor, supplier or other individual or entity to claims any ownership interest in or encumbrance on the Facilities or any of the easements dedicated or conveyed to Utility under this Agreement.

8. Developer shall not have the right to connect individual lot service connections to the Facilities until such time as the Facilities have been formally accepted by the Utility, written approvals have been received from all governmental bodies and regulatory agencies which may have jurisdiction there over, and all applicable connection fees including any applicable taxes have been paid.
9. All connections must be inspected by Utility prior to backfilling and covering of any pipes. Written notice to Utility requesting an inspection of a connection shall be made at least forty-eight (48) hours in advance of the inspection, excluding weekends and official Utility holidays. If Developer fails to comply with the foregoing inspection provisions, Utility may refuse service to a connection until such time as the appropriate inspections have been completed.
10. Prior to the transfer to Utility of the Facilities, Developer shall grant permanent, assignable easements satisfactory to Utility, without cost or expense to Utility, authorizing Utility to own, operate and maintain the Facilities throughout the Property and providing reasonably adequate rights of access and working space for such purposes.
11. Prior to the transfer to Utility of the Facilities, Developer shall provide to Utility as-built drawings, and all other information (by both hard copy and electronic copy), reasonably required to operate, maintain, and repair the Facilities. Water meters shall not be installed by Utility until the close-out package has been submitted by Developer and accepted as complete by Utility.
12. Upon Developer's satisfaction of its obligations under this Agreement, Utility agrees to reserve adequate utility capacity for thirty-two (32) single family and two (2) irrigation water connections located within the Property.

### **ARTICLE III**

#### **Other**

1. Developer shall not permit by restricted land covenant, any owner of real estate within the Property to construct or maintain any private well or septic system within the Property.
2. Neither Developer nor any entity or individual affiliated with Developer may execute any agreement with any lot purchaser in the Property or any other parties or make any representations to any such purchasers or other parties that such purchaser or other parties have acquired any interest in the Facilities to be installed under this Agreement. Developer shall indemnify, defend and hold Utility harmless from any and all such claims raised by any party based on any statements, representations or actions by Developer.

### **ARTICLE IV**

#### **Utility Services, Connection Fees, Rates and Charges**

1. Developer shall submit to Utility, upon execution of this Agreement, a nonrefundable Plan Review Fee of five hundred dollars (\$500.00) and a nonrefundable Inspection Fee of two hundred fifty dollars (\$250.00) for the development. Should the Facilities require additional inspection(s) due to improper installation, defective or unapproved materials, Developer shall pay an additional nonrefundable two hundred fifty dollars (\$250.00) for each additional inspection required.
2. Developer shall pay and deliver to Utility the sum of money which is the non-recurring service connection and capacity fees ("Tap Fees") provided for under Utility's rate schedule, as approved by the Public Service Commission of South Carolina (as may be amended from time to time), including any taxes imposed on Utility for such charges,



multiplied by the Single Family Equivalent ("SFE") rating set forth therein. For the Jessamine Place – Phase 4 project that is the subject of this Agreement, that sum shall be a nonrefundable fee of forty-two thousand, four hundred twenty-two dollars and sixty-nine cents (\$42,422.69), which is based upon an estimated thirty-two (32) SFEs and one (1) irrigation meter, applicable taxes and Utility's current rate schedule. Contribution in Aid of Construction (CIAC) taxes shall be calculated per Utility's Tax Gross-up Policy for Property Donated or Cash Contributed. All fees shall be paid on the date of execution of this Agreement. In addition to the above fees and taxes, Developer agrees to pay the Contribution in Aid of Construction taxes on all materials and construction costs prior to any water meters being placed in operation by Utility. If it is determined that the project contemplated by this Agreement consists of a greater number of SFEs than is estimated hereinabove, Developer shall be required to pay an additional sum to Utility for each additional SFE using the calculation provided for hereinabove, conditioned upon first receiving the approval from Utility for such increase in SFEs. In addition, Developer agrees that it will not represent to any third party that utility service is available from Utility for use within the proposed development, except (1) upon Developer's payment of the Tap Fees as provided hereinabove, (2) Developer's performance of all obligations under this Agreement; and (3) establishment of service and an account between said third party and Utility, including payment of all fees and charges authorized under Utility's approved rate schedule excepting tap fees.

3. Prior to the commencement of utility service to any parcel within the Property, the parcel's owner must pay Utility all applicable water and sewer fees, and any other fees that may be required. Such fees, usage and all other incidental rates and charges, shall be paid to Utility in accordance with Utility's rates, rules and regulations and conditions of service on file with the South Carolina Public Service Commission and then in

effect. Capacity shall not be reserved for any lot, out parcel, commercial space or building for which the tap fee has not been paid.

4. Upon installation and acceptance of the Facilities and payment of all applicable connection fees, Utility agrees to supply all customers within the Property with adequate and customary water service and to operate, maintain and repair all Facilities as indicated herein, after acceptance by Utility and issuance of operational approvals by all applicable regulatory authorities.

## **ARTICLE V**

### **Commission Filing**

1. Within thirty (30) days following the execution of this Agreement, Utility will file an application with the Commission for approval of this Agreement, in conformance with Commission rules and regulations. Developer agrees to cooperate with Utility in any proceeding resulting from such application and to reimburse Utility its reasonable attorneys' fees, costs and litigation expenses incurred for such filing in the event such application is litigated by the Office of Regulatory Staff or opposed by third parties. The provision of water and/or sewer service to the customers within the Property is subject to the Commission's authority and approval.

## **ARTICLE VI**

### **General**

1. Except as provided in this Agreement, neither party to this Agreement shall be liable to the other for failure, default or delay in performing any of its obligations hereunder, if such failure, default or delay is caused by strikes or other labor problems, by forces of nature, unavoidable accident, fire, acts of the public enemy, interference by civil authorities, acts or failure to act, decisions or orders or regulations of any governmental or military body or agency, office or commission, delays in receipt of materials, or any

other cause, whether of similar or dissimilar nature, not within the control of the party affected and which, by the exercise of due diligence, such party is unable to prevent or overcome, except as otherwise provided for herein. If any of the foregoing events occur, the parties hereto agree to proceed with diligence to do what is reasonable and necessary so that each party may perform its obligations under this Agreement.

2. The failure of either party hereto to enforce any of the provisions of this Agreement or the waiver thereof in any instance by either party shall not be construed as a general waiver or relinquishment on its part of any such provisions, but the same shall, nevertheless, be and remain in full force and effect.
3. The representations, warranties and agreements contained herein shall survive, and continue in effect. Developer agrees to defend, indemnify and hold harmless Utility, its successors and assigns, against any loss, damage, liability, expense or cost of Utility, accruing or resulting from any misrepresentation or breach of any representation, warranty or agreement on the part of Developer under this Agreement or from any misrepresentation in or material omission from any certificate or other document furnished or to be furnished to Utility by Developer.
4. This Agreement sets forth the complete understanding between Developer and Utility, and any amendments hereto to be effective must be made in writing and signed by both Developer and Utility.
5. Notices, correspondence and invoicing required hereunder shall be given to Developer and to Utility at the following addresses, or at any other addresses designated in writing by either party subsequent to the date hereof:

If to Utility:

Blue Granite Water Company  
130 South Main Street, Suite 800  
Greenville, SC 29601  
Attn: Travis Dupree, Vice President

With copy to:

Blue Granite Water Company, Inc.

c/o Utilities, Inc.  
2335 Sanders Road  
Northbrook, Illinois 60062  
Attn: Laura Granier, General Counsel & Vice

If to Developer:

Mungo Homes Properties, LLC  
441 Western Lane  
Irmo, SC 29063  
Attn: Bill Dixon, Assistant Secretary

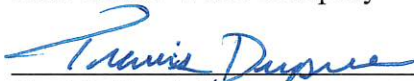
Delivery when made by registered or certified mail shall be deemed complete upon mailing. Delivery by overnight courier shall be deemed complete when delivered.

6. This Agreement may not be assigned by Developer without the written approval of Utility, which approval shall not be unreasonably withheld. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
7. This Agreement shall be governed by the laws of the State of South Carolina.
8. If this Agreement is not executed prior to August 1, 2019 then the terms and conditions contained herein will be waived, with no further obligations or responsibilities to either party.

[Signatures Begin on the Following Page]

IN WITNESS WHEREOF, the parties hereto have set their seals the day and year above first written.

Blue Granite Water Company



By: Mr. Travis Dupree

Its: Vice President

Attest/Witness:

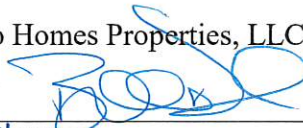
1) 

(Print name and title) Rebecca Coates Compliance Manager

2) Amy S. Hopkins

(Print name and title) Amy Hopkins Project Manager

Mungo Homes Properties, LLC



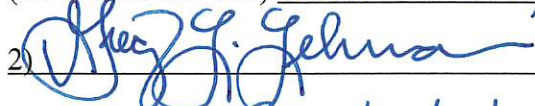
By: Bill Dixon

Its: Assistant Secretary

Attest/Witness:

1) DEANA Densley

(Print name and title) DEANA Densley / Land Admin

2) 

(Print name) Greg L. Lehman